



Shawn Snyder, Legislative Services Agency, Fiscal Services Division

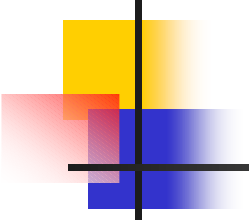
Jim Addy, Department of Education
Shawn Snyder, Legislative Services Agency,
Fiscal Services Division



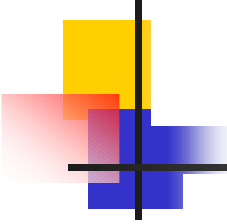
Today's Presentation

- “Basic” School Finance
 - Weighting
 - AEAs
- Revenue Sources
- Where We Are Now
- Questions

Basic School Finance Goals and Principles

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- Equity in Expenditure
 - Property Tax Relief
 - Equalize Taxation
 - Uniform State Aid Allocation Formula
 - Predictable
 - Pupil Driven
 - Provide for Local Discretion/Incentives
 - Establish Maximum Spending Control
 - One Funding Formula AEA + K-12

School District Finance Components

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- Combined District Cost (Formula)
Regular, Guarantee, Supplementary
Weighting, Special Education, AEAs
 - Categorical Roll-ins Formula
 - Instructional Support
 - Management Levy
 - Physical Plant & Equipment Levy
 - Public Education and Recreation Levy
 - Debt Service Levy
 - Statewide Sales & Services Tax
 - State/Federal Categoricals



Combined District Cost

Regular Program Cost

+Weighted Enrollment Funding

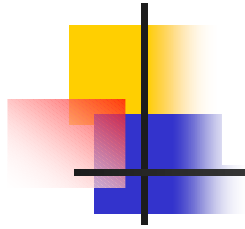
+ Budget Guarantee (Budget Adjustment)

+ AEA Program Funding

+ Dropout Prevention Programs (SBRC MAG)

+ State Categorical Supplements

Combined District Cost



Regular Program District Cost

$$\text{District Cost Per Pupil} \times \frac{\text{Number of Pupils}}{\text{Regular Program District Cost}}$$

Regular Program District Cost
(Basic "Pool" of Money for the District)



Basic Funding

Pupil Driven System (Pupils x Cost Per Pupil = Regular Program Budget)

- Pupil Count
- Pupils Weighted –
 - Weights “Add” Pupils
 - Weighted Pupils Add Additional Funding for:
 - Special Education
 - English Language Learners
 - Share Teachers/Pupils/Regional Academies
 - At-Risk Formula
 - Reorganization Incentives



Weighting and FY 10 Dollars

- Special Education Weights
 - Three levels of additional weight .072, 1.21, & 2.74
 - Every district has some Level I
 - \$382.47 million
- Supplementary Weight for Sharing
 - Shared students, shared teachers, community college courses (concurrent), whole grade sharing, regional academy, ICN, operational functions, at-risk, ESL, reorganization
 - \$49.8 million



Budget Guarantee & Budget Adjustment

Regular Program Budget = Pupils x District Cost

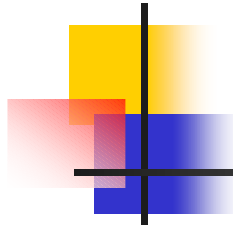
Provides an Adjustment in the Regular Program for Districts With No or Low Growth in Enrollments

Budget Guarantee

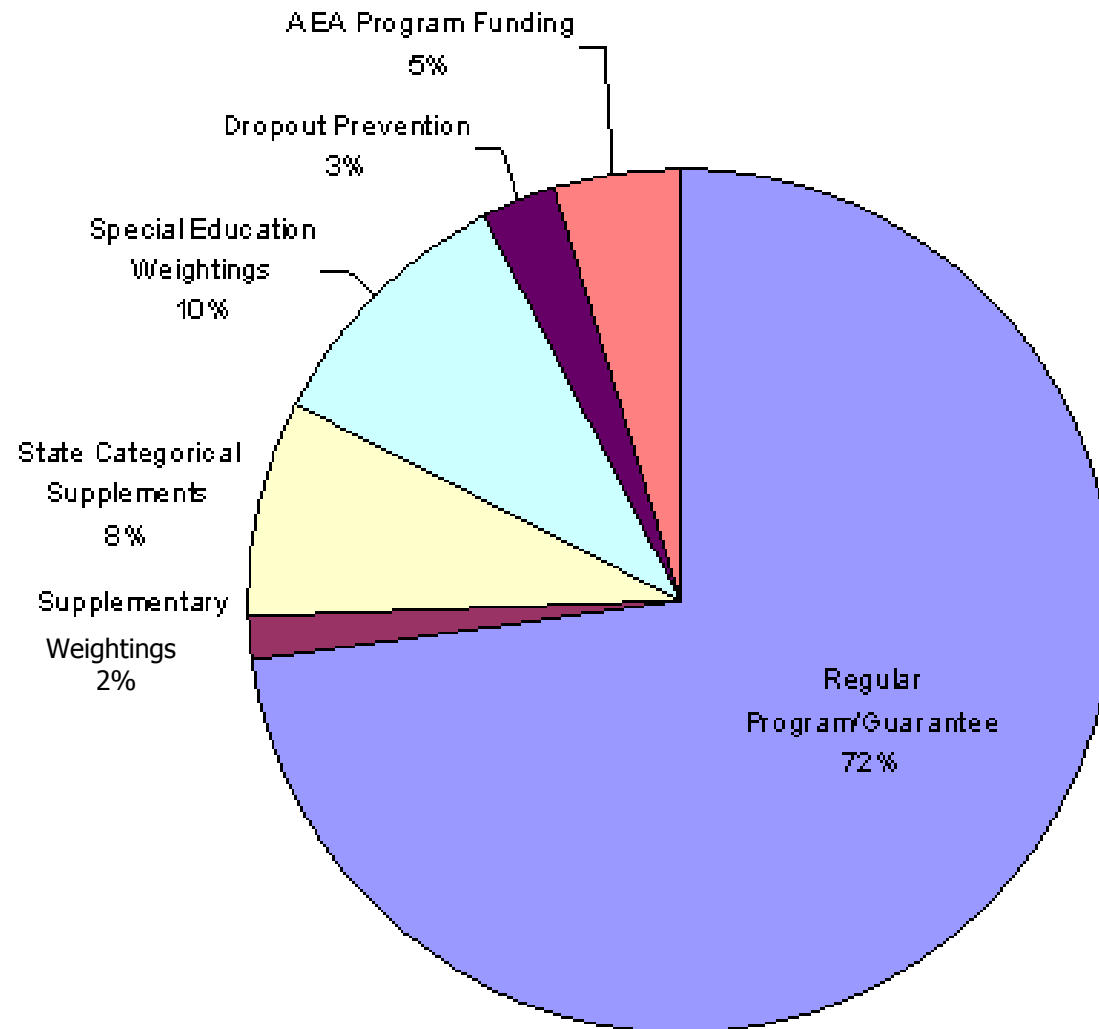
- Phase-out began in FY 2005; ends FY2014
- Scale down version

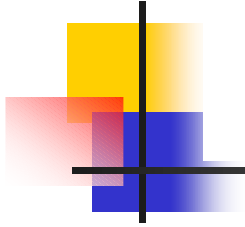
• Adjustment

- 101% of previous year



FY 2010 Combined District Cost Components

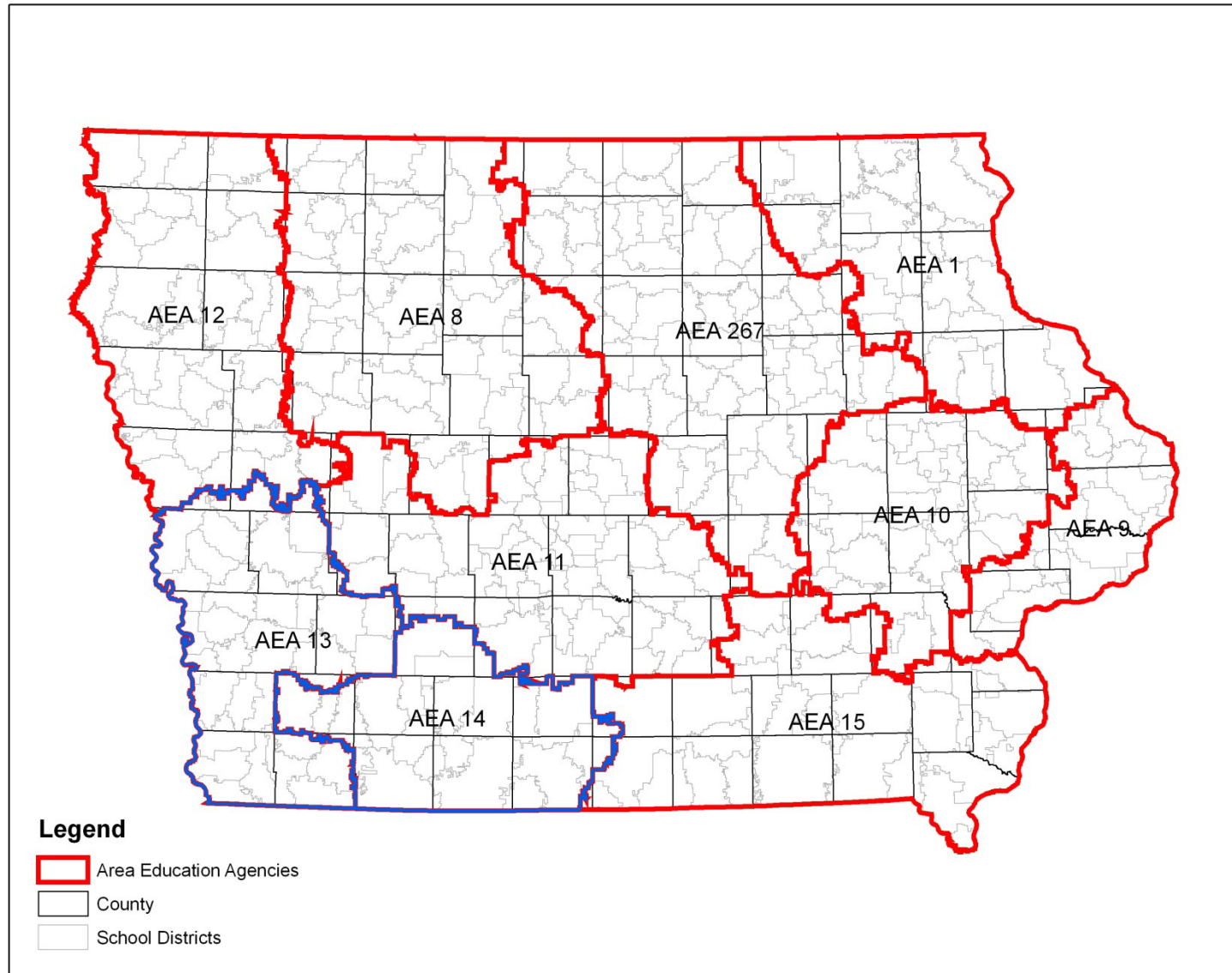
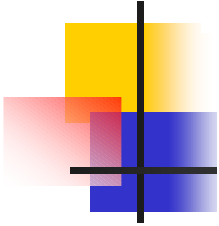




Area Education Agencies

- Created in 1975 (originally 15 AEAs)
- Service agencies to local school districts
- Funded on per pupil basis (enrollments and special education weightings)
- Funding generated through school aid formula
- Generated at the school district level but “flows-through” district
- No taxing authority

AEA Map





AEA Programs

Services to Local School Districts

- Special Education Support Services
 - Identification of students in need of special education
 - Special education programming and support
 - Supervision of special education personnel
- Media Services
 - Library and other multi-media services
- Educational Services
 - Curriculum development and other items



AEA Program Funding

Part of Combined District Cost but “Flows-Through”

- Special Education Support Services

- State cost per pupil = \$253
- Total funding = \$127.2 million (state aid and property tax)

- Media Services

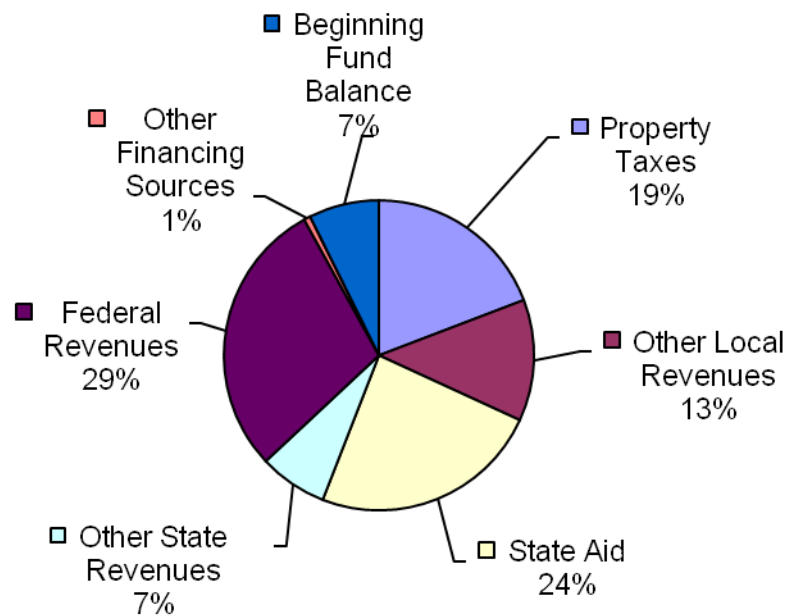
- State cost per pupil = \$47
- Total funding = \$24.2 million (property tax)

- Educational Services

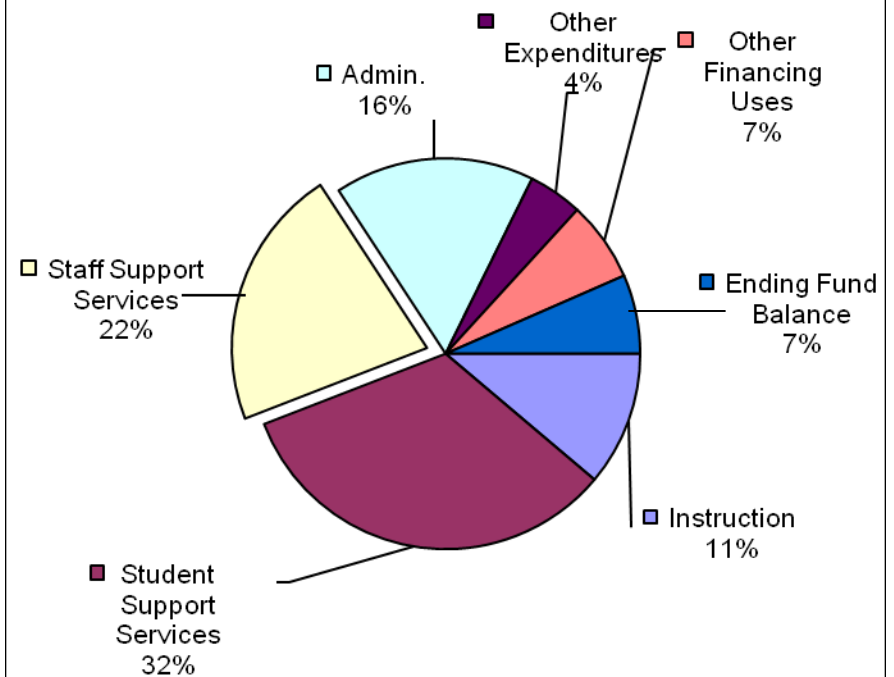
- State cost per pupil = \$52
- Total funding = \$26.7 million

AEA Funding by Source & Expenditures by Function

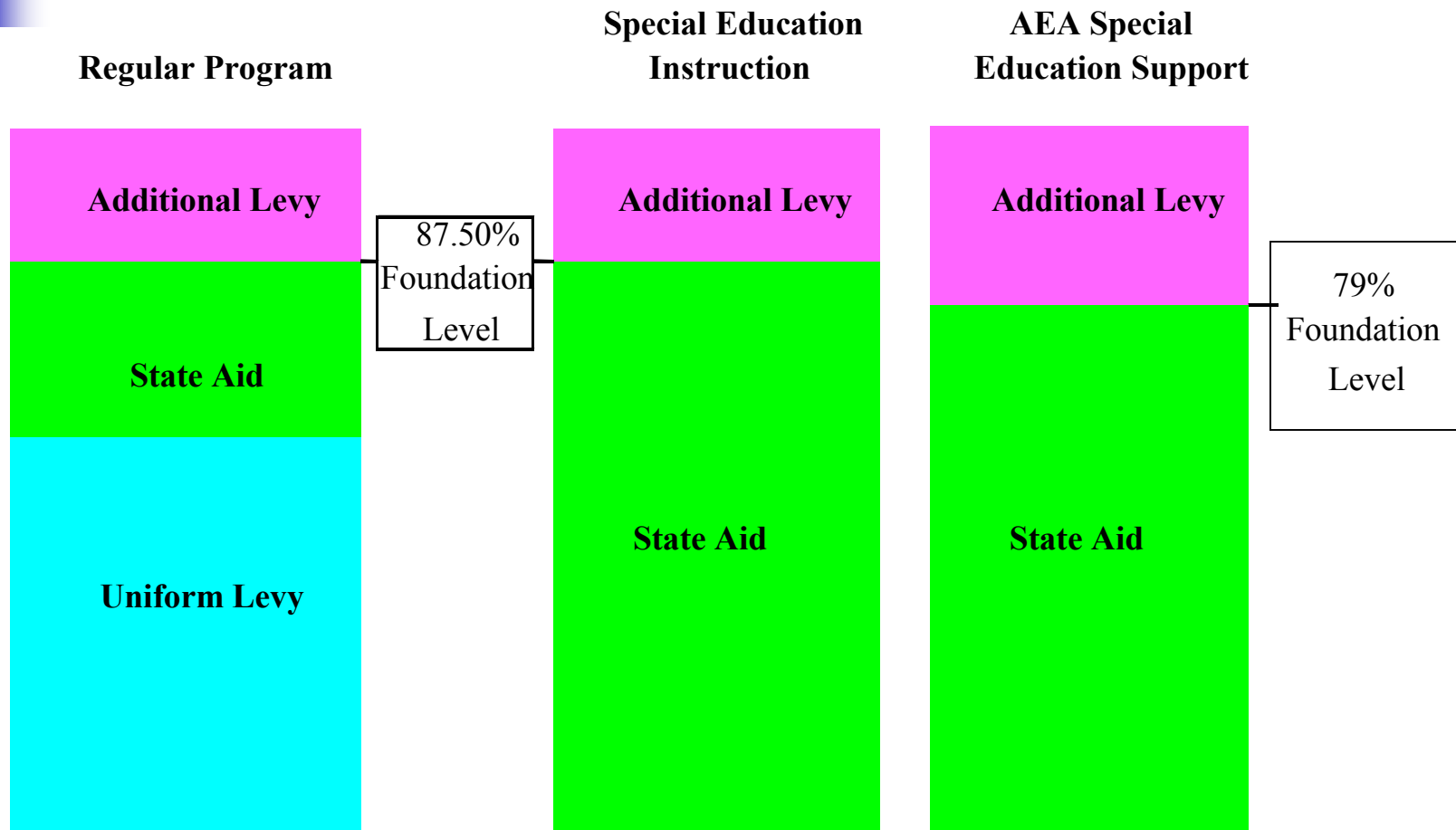
**Resources by Major Source
Fiscal Year 2009-2010**



**Expenditures by Function
Fiscal Year 2009-2010**



Foundation Formula





Allowable Growth and Cost Per Pupil

“Allowable Growth” Agreed Upon by
Both Chambers and the Governor

1. State Cost Per Pupil (Previous Fiscal Year)
X State Percent of Growth Rate
= Allowable Growth Per Pupil Amount
2. State Cost Per Pupil (Previous Fiscal Year)
+ Allowable Growth Amount Per Pupil
= State Cost Per Pupil (Current Fiscal Year)
3. District Cost Per Pupil (Previous Fiscal Year)
+ Allowable Growth Amount Per Pupil
= District Cost Per Pupil (Current Fiscal Year)



District Cost Per Pupil – FY 10

\$5,943 - Highest

\$5,768 - Lowest

\$175 - Range

District Cost Per Pupil Increases
Each Year by a Per Pupil Amount
(Per Pupil Allowable Growth)



Revenue Sources

- General Fund
 - Formula
 - Required
 - Discretionary
 - Miscellaneous Income
 - State Categoricals
 - Federal Categoricals
- Separate Funds - Levies



Revenue - Foundation Formula

- Required Local Levy - Uniform Levy
 - \$5.40 per \$1,000 Valuation
 - Total **\$1.223 Billion**
- State Aid
 - Increase Funding for Districts
 - "Fair" Method to Distribute State Aid
 - Provide Property Tax Relief
 - Equalize Effort
 - Sub-Total **\$2.245 Billion**
 - Total Including Categoricals **\$2.587 Billion**
- Additional Levy
 - Total **\$24 Million**



Federal Categorical - ARRA

IDEA, Part B	\$122,095,134
IDEA, Part B Preschool	\$ 4,141,398
IDEA, Part C	\$ 3,871,018
Title I	\$ 51,638,795
Title I, School Improvement	\$ 15,685,000
Education Technology	\$ 3,376,407

State Stabilization – Education	\$386,373,745
State Stabilization – Government Services	\$ 85,965,797
School Lunch Equipment	\$ 823,633



State Fiscal Stabilization Funds Appropriated

- FY09

- \$ 40,000,000 K-12 State Aid

- FY10

- \$202,546,705 K-12 State Aid

- \$ 13,103,950 K-12 Instructional Support Levy

- \$ 2,000,000 K-12 PD – Core Curriculum

- \$ 80,280,000 Regents

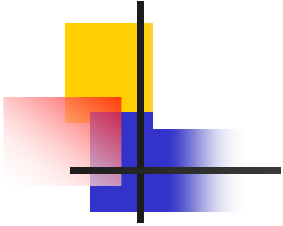
- \$ 25,600,000 Community Colleges



Federal Categorical ARRA Impact FY 10

- Title I
 - \$74 million
 - \$48 million ARRA boost
- IDEA
 - \$26.7 million
 - \$73.1 million ARRA boost
- Funding cliff: applies to federal & state funding sources (SFSF)
- Other “Title Programs” are federal funding
 - <http://www.iowa.gov/educate>; A to Z Resources; Allocations

School District Finance Components (FY 10)



- Combined District Cost \$3.808 Billion
 - Formula: Regular, Guarantee, Supplementary Weighting, Special Education, AEAs, Roll-ins
- Instructional Support: \$176.7 Million
 - \$95 Million Property Tax
 - \$81.7 Million Income Surtax
- Management Levy \$108.6 Million
- Physical Plant and Equipment Levy \$113.2 Million
 - Voted - \$81.6 Million Property Tax & \$10.6 Million Income Surtax
 - Regular - \$39.7 Million
- Public Education and Recreation Levy \$2 Million
- Debt Service Levy \$105.5 Million
- Statewide Sales and Use Tax/(Formerly Local Option) Estimated \$360 Million



Questions or Additional Information

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